

COUNTY OF SAN BERNARDINO

**2002-03
FINAL BUDGET**

Supervisor Bill Postmus First District
Supervisor Jon D. Mikels Second District
Supervisor Dennis Hansberger, Vice Chair Third District
Supervisor Fred Aguiar, Chair Fourth District
Supervisor Jerry Eaves Fifth District

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Larry Walker, Auditor/Controller-Recorder

The Honorable Board of Supervisors
County of San Bernardino
San Bernardino, California

The Board adopted the final budget for 2002-03 on June 25, 2002. This fiscal year is noteworthy because 2003 marks the County of San Bernardino's 150th anniversary – a century and a half of public service.

During the first half of its existence, San Bernardino County and most if not all California jurisdictions operated without an approved budget. In 1928 the state created the County Budget Act, which set up a uniform budget process for California counties, and the County of San Bernardino issued its first budget in 1929-30 with a total appropriation of \$2.4 million. Seventy-five years later, the county's appropriations stand at \$2.6 billion. One thing that hasn't changed is the County of San Bernardino's tradition of cautious, conservative planning. That first budget included a reserve of 4% for unforeseen events. The 2002-03 budget before you now contains a general purpose reserve of 10%, as well as, a significant amount set aside in contingencies for uncertainties that the county may face during the current and coming fiscal years.

The adopted 2002-03 budget stands as a fiscally sound spending plan with no reliance on one-time financing to meet ongoing county needs. While fiscally conservative the county still provided for fair and equitable salary adjustments, operational requirements within county departments, substantial capital improvement investment, debt reduction investment, and important departmental programs.

The key elements of this 2002-03 budget include:

Capital Improvements

Funding for Capital Improvement projects has historically been limited, especially when projects require 100% local financing. This is the second year in a row that the county has been able to direct a substantial amount of money for long delayed maintenance of office space to properly maintain buildings and provide an improved working environment for the employees of the county. The 2002-03 budget included not only \$3 million in the original financing plan for a number of necessary projects, but the Board also approved an additional \$3.6 million of one-time money to be used for critical energy conservation projects such as an upgrade of the Glen Helen Water System and replacing aging heating, ventilation and air conditioning systems in several county buildings.

Debt Reduction Plan

The county has taken a proactive stance in trying to reduce county debt. During 2001-02 the county refinanced two outstanding debt issues, the 1992 Justice Center/Airport Improvement Project and the 1992 West Valley Detention Center project. The Justice Center/Airport Improvement refinancing generated \$2.1 million in general fund savings in 2001-02. The West Valley Detention Center refinancing will generate \$1.1 million in general fund savings in 2002-03. The 2002-03 adopted budget includes using the combined savings of \$3.2 million to reduce the outstanding principal of the 1995 Glen Helen Blockbuster Pavilion Series D taxable debt. This action results in a savings of \$260,000 annually over the next 22 years.

Departmental Requests Approved

During budget hearings the Board approved the following department's requests for additional funding in the 2002-03 adopted budget. Staffing and operation costs for the West Valley Juvenile Hall expansion expected to open in December 2002 was funded. A portion of the projected Proposition 172 revenue shortfall totaling \$2.9 million was temporarily funded in 2002-03, anticipating the Proposition 172 revenues will ultimately return to projected growth. This temporary funding maintained the current level of sworn staff in the Sheriff's Department and funded the District Attorney's elder abuse prosecution unit in the central and desert regions of the county. Twelve technical service positions in the Sheriff's Department were temporarily funded. These positions were previously funded by the COPSMORE grant at 75% and the local match of 25% was financed within the Sheriff's Department budget. The COPSMORE grant expired in 2001-02, and, as part of the terms of the grant, the county is obligated to fund these positions for one budget cycle following the completion of the grant.

2% Local Cost Reduction

County policy wisely requires that ongoing costs be funded by ongoing resources. Based on the unallocated, ongoing resources available in 2002-03 and the unknown costs of future labor agreements, the Administrative Office implemented a 2% local cost reduction for locally funded departments. This reduction generated \$2.3 million in ongoing revenue sources to be used to fund future ongoing costs such as salary costs.

Contingencies & Reserves

The Board prudently set aside \$45.9 million in the contingencies budget to mitigate the impact of uncertainties presented by the state's financial picture, salary negotiations with the county's safety employees whose contract expires on December 31, 2002, and increases in retirement and insurance costs. In addition, the Board contributed \$1.7 million to the general purpose reserve in 2002-03, bringing the total to \$31.9 million (10% of locally funded appropriations). Contingencies and reserves serves as an insurance policy to safeguard essential programs should the county experience an economic downturn.

In summary, although the county budget has grown from millions to billions, the 2002-03 adopted budget demonstrates the Board's continued commitment to responsible fiscal management and a fair, cost-effective government for the citizens of San Bernardino County. While there are still issues for the county to face in the future, this budget is another step forward, and one in which the Board can take pride. It is also a budget that places the county in a good position to meet the challenges of future budget years.

Respectfully submitted,

JOHN F. MICHAELSON
County Administrative Officer

The Board of Supervisors adopted the County of San Bernardino's 2003-03 Budget on June 25, 2002. This budget covers the period from July 1, 2002 – June 30, 2003. Each department is responsible for operating within their budget and has the authority to spend up to the approved budget amount. The County of San Bernardino's 2002-03 Budget consisting of the general fund, special revenue funds, capital projects funds, and enterprise funds has a total appropriation of \$2.6 billion.

General Fund Budget Process

The County Administrative Office has the responsibility of developing the county financing plan for all general fund departments. The 2002-03 financing plan included a total of \$319.3 million in discretionary revenue. This revenue is comprised of property taxes, vehicle license fees, interest on the county investment pool, sales tax and other taxes. Mandatory costs such as previously negotiated salary increases, inflation, previous year's Board approved costs and other mandated costs are first financed by the discretionary revenue. After the mandatory costs are financed, the remaining unallocated discretionary revenue is presented to the Board of Supervisors for approval of distribution during the budget workshop. In 2002-03 the amount of unallocated revenue was \$45.1 million.

A budget workshop was held on May 28 and 29, 2002, to discuss each department's proposed budget. Each department submitted a proposed budget based on the general fund financing amount allocated to them and their own departmental revenues. Departments also request funding for those workload and program changes that were unable to be financed in their proposed budget.

The Board of Supervisors approved \$5.7 million in departmental requests during the budget workshop as shown below. These changes were incorporated in the 2002-03 budget that was presented to the Board during the budget and fee hearing in June. The remaining revenue not allocated was \$39.4 million.

BOARD APPROVED CHANGES AT BUDGET WORKSHOP

	Approp	Revenue	Local Cost	Additional Positions
<u>Capital Improvements</u> - Additional Funding	3,587,000		3,587,000	
<u>Debt Service</u> - Additional Funding to Reduce Debt	2,127,436		2,127,436	
TOTAL CHANGES TO SOURCES/USES	5,714,436	-	5,714,436	-

A budget and fee hearing was held on June 17 and 18, 2002, for public input on the county budget and fee ordinance changes and to obtain Board approval on the 2002-03 final budget. During the budget and fee hearings, an additional \$8.2 million was approved and allocated to departmental final budgets. The remaining balance of \$31.2 million was unallocated and set aside for future funding issues such as current salary negotiations, pending legislation, etc. In addition, the Board of Supervisors directed that any fund balance adjustment in the general fund would be made to the appropriations for contingencies. The Board also directed any unspent appropriation in the Priority Policy Needs and any uncommitted appropriation related to the Management Audits be carried forward in their respective budgets units. The fund balance adjustment totaled \$17.8 million. Of this amount, \$15,920,491 was added to contingencies, \$203,219 was carried over for the Management Audits, and \$1,645,204 was carried over to the High Priority Policy Needs.

The following worksheet describes in detail what was approved at the budget and fee hearing.

BOARD APPROVED CHANGES AT BUDGET AND FEE HEARING

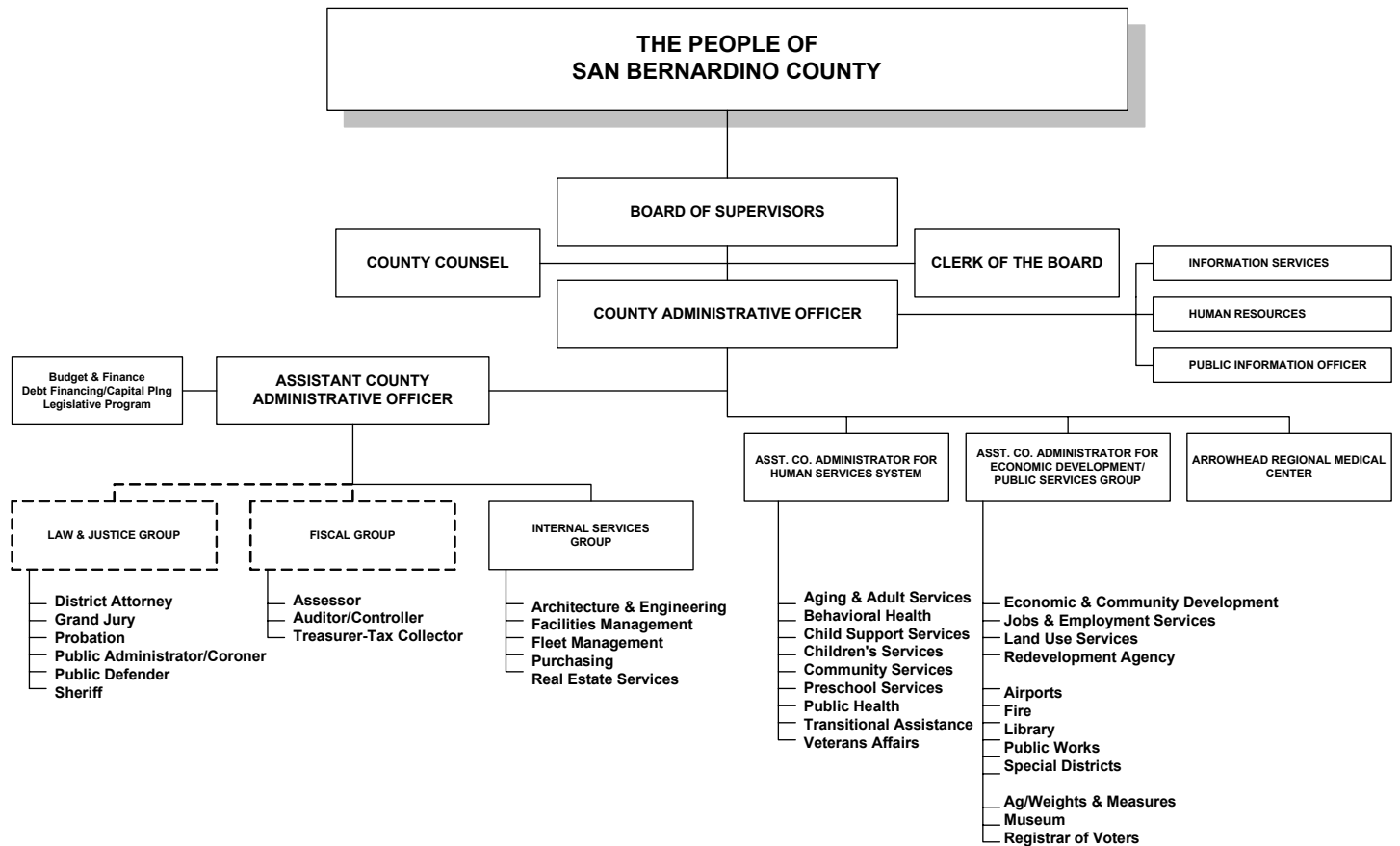
	Approp	Revenue	Local Cost	Add'l Pos.
<u>Airports</u> - fee increases	40,389	40,389	-	
<u>Assessor</u> - fee increases	11,195	11,195	-	
<u>Auditor/Controller-Recorder</u> - fee increases	26,402	26,402	-	
<u>Behavioral Health</u>				
Completion of Capital Improvement Project - Phoenix project	1,674,000	1,674,000	-	
West Valley Juvenile Hall Expansion	349,374	349,374	-	7.0
<u>Clerk Of The Board</u> - fee increases	25,675	25,675	-	
<u>County Museum</u> - fee increases	160,157	160,157	-	2.2
<u>District Attorney</u> - Elder Abuse Program	400,000	-	400,000	6.0
<u>Facilities Management</u> - West Valley Juvenile Hall Expansion	409,876	-	409,876	6.0
<u>Financial Administration</u>				
Separation of the General Plan Update from Advanced Planning into a special revenue fund.	1,000,000	-	1,000,000	
<u>Land Use Services - Advanced Planning</u>				
Separation of the General Plan Update from Advanced Planning into a special revenue fund.	(1,000,000)	-	(1,000,000)	
<u>Land Use Services-Code Enforcement</u> - fee increases	2,200	2,200	-	
<u>Land Use Services - Fire Hazard Abatement</u> - Crest Forest Fire	105,060	105,060	-	1.0
<u>Probation</u> - West Valley Juvenile Hall Expansion	4,930,146	803,771	4,126,375	99.0
<u>Public Health</u> - fee increases	525,255	525,255	-	0.1
<u>Public Works-Regional Parks</u> - fee increases	70,748	70,748	-	
<u>Real Estate Services</u>				
Increase in rents and leases	1,483,006	-	1,483,006	
Increase in offsetting reimbursement of leases	(1,483,006)	-	(1,483,006)	
<u>Sheriff</u>				
Backfill of Prop 172 monies	2,500,000		2,500,000	
COPSMORE 98 Grant	714,000		714,000	12.0
Drug Enforcement Participation Agreement with US DOJ	36,094	36,094	-	
Law Enforcement Contract with City Of Grand Terrace	132,807	132,807	-	1.0
Law Enforcement Contract with City Of Victorville	199,411	199,411	-	2.0
TOTAL CHANGES TO SOURCES/USES	12,312,789	4,162,538	8,150,251	136.3

Other Funds Budget Process

In addition to the general fund, the County of San Bernardino has special revenue funds, capital projects funds, internal service funds and enterprise funds. All of these funds are restricted to the revenue sources they receive. Each department who has these types of funds is responsible for developing its budget based on the revenue resources available to them. These resources include projected revenue to be collected in 2002-03 and any revenue not spent and carried forward from prior years (for example, fund balance for special revenue funds). These budgets were also discussed during the budget workshop and budget and fee hearing. In addition, the Board of Supervisors approved that any fund balance adjustment for special revenue funds would be made to agree to the Auditor/Controller-Recorder's actual fund balance.

Budget Book Format

The County of San Bernardino's 2002-03 Final Budget is presented in this book based on the County Organizational Structure, which is depicted on page 4. The Administrative/Executive Group is those departments that report directly to the Board of Supervisors or those departments that report directly to the County Administrative Office which perform functions related to the overall support of the county. In addition, there is a sample of the departmental budget format on pages 5 and 6 of this Preface that shows and explains how each budget unit is presented in the book. There is also a list of Final Budget Definitions on pages 7-10 of this Preface that defines budget terms commonly used throughout the budget workbook.



OVERVIEW OF BUDGET

Budget #1

Budget #2

Budget #3

TOTAL

DEPARTMENT:

DEPARTMENT HEAD:

The department being described and the responsible administrator are listed at the top.

2002-03

Appropriations	Revenue	Local Cost/ Fund Balance	Staffing
-	-	-	-

BUDGET UNIT: BUDGET UNIT NAME (FUND DEPT)

I. GENERAL PROGRAM STATEMENT

Section I is the General Program Statement which provides a narrative describing the function and activity of the budget in question.

II. BUDGET & WORKLOAD HISTORY

	Actual 2000-01	Budget 2001-02	Actual 2001-02	Budget 2002-03
Total Appropriation				
Total Revenue				
Local Cost	-	-	-	-
Budgeted Staffing				
<u>Workload Indicators</u>				
Workload Indicator #1				
Workload Indicator #2				

Section II is the Budget & Workload History, which provides a historical overview of the budget unit, including two years worth of actuals, prior year adopted budget, and the current adopted budget.

It also includes budget and actual information related to measurements of workload, called Workload Indicators.

For those departments that have significant variances between budget and actual in 2001-02, there will be an explanation here of why this occurred. The 2001-02 Budget is the original budget adopted in late June and does not reflect any mid year changes approved by the Board during the fiscal year. In many cases, this is why there are variances between budget and actual in 2001-02.

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

PROGRAM CHANGES

Section III highlights, in narrative form, some of the major changes that are detailed in the following section in a numeric format. Not all departments will have information here, especially if the overall functioning and responsibilities of the department have not changed.

If there are important changes to highlight, they will be broken out into either, or both, of the categories: Staffing changes and Program changes.

GROUP:
DEPARTMENT:
FUND:

The header shows which budget you are looking at and lists the Function and Activity that tie this page to the summary financial schedules at the back of the book.

FUNCTION:
ACTIVITY:

	2001-02 Actuals	2001-02 Approved Budget	2002-03 Board Approved Base Budget	2002-03 Board Approved Changes to Base Budget	2002-03 Final Budget
<u>Appropriations</u>					
Salaries and Benefits					-
Services and Supplies					
Central Computer					
Transfers					
Total Expenditure Authority					
Less:					
Reimbursements					
Total Appropriation					
<u>Revenue</u>					
Taxes					
Other Revenue					
Total Revenue					
Local Cost					
Budgeted Staffing					

Total Changes Included in Board Approved Base Budget

Base Year Adjustments

Salaries and Benefits
Services and Supplies
Central Computer
Full Year Funding
Salaries and Benefits
Services and Supplies

The top part of this section shows detail of changes that are being added to last years adopted budget to create this years "Base Budget," or the starting point from which the budget is built. The detail is then summarized below in the section labeled "A"

Total Appropriation Change	-	
Total Revenue Change	-	
Total Local Cost Change	-	A
Total 2001-02 Appropriation	-	
Total 2001-02 Revenue	-	
Total 2001-02 Local Cost	-	B
Total Base Budget Appropriation	-	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	-	C

The "Changes Included in Base Budget" section shows in detail what changes were made to last years budget to reach the "Board Approved Base Budget" summarized in the previous section.

The three groups of data listed here show: A – the sum of changes, as detailed; B – last years approved budget which is the starting point; and C – the approved base budget, which is the sum of A and B. The numbers in C directly correspond to the "Base Budget" column in the section at the top of this page.

Board Approved Changes to Base Budget

Salaries and Benefits	-
Services and Supplies	-
Central Computer	-
Transfers	-
Total Expenditure Authority	-
Reimbursements	-
Total Appropriation	-
Other Revenue	-
Total Revenue	-
Local Cost	-

This final section shows, in detail by category, the approved changes to the base budget. This could be due to any change in activity by a department including: approved policy items, new program implementation, etc.

This section directly corresponds to the column titled "Board Approved Changes to Base Budget" shown on the section at the top of this page. These changes added to the base budget equal the final adopted budget.

FINAL BUDGET DEFINITIONS

2% Budget Reduction: This year's budget includes a 2% cost reduction that was applied to locally funded departments. This generated \$2.3 million in ongoing revenue to fund future ongoing costs.

2420 One-time Shift: This fiscal year there is a change to the rate structure for charging departments for Central Computer services (object code 2410). This change has resulted in some services that were previously charged under object code 2410 to be charged to object code 2420. The 2420 One-time Shift adjusts the affected departments budgets to reflect this change.

Activity – A component within a fund; usually a specific line of work performed to accomplish a function for which a governmental unit is responsible.

Appropriation: An authorization granted by a legislative body to make expenditures and incur obligations for a specific purpose.

Base Year Adjustments: All non-discretionary budget changes that are factored into the base budget and approved by the Board with the County Administrative Office's financing plan; these include the cost of new mandates and negotiated salary increases.

Board Approved Base Budget: The Board Approved Base Budget reflects the anticipated costs of carrying out the current level of service or activities as authorized by the Board of Supervisors in the prior years. It may include an adjustment for cost increases, but does not include changes in level of service over that authorized by the Board of Supervisors. This year's base budget represents the prior year approved budget plus mandated costs such as salary negotiations (MOU), retirement costs, inflation, risk management liabilities and previous year's mid year Board approved costs.

Budgeted Staffing: The equivalent of full-time positions funded in the budget.

Capital Project Funds: Capital Project Funds are used to account for financial resources designated for the acquisition or construction of major capital facilities other than those financed by Enterprise and Internal Service Funds.

Central Computer: Central Computer expense category is set up specifically to allocate Information Services Department's computer charges to departments based on usage. These are countywide costs for computer infrastructure such as email, wide area network, payroll processing, and software/hardware staff support. Each departmental Central Computer budget amount is estimated at the beginning of the fiscal year by the Information Services Department and is billed based on that estimate. Next year's budget will be adjusted based upon the actual usage of the prior fiscal year.

Contingencies: An amount set aside within a budget for unforeseen expenditure requirements. Board action must be taken to spend contingency funds and requires four votes.

COWCAP: COWCAP is an acronym that stands for County Wide Cost Allocation Plan. It is the method by which indirect support costs for services such as Human Resources, Payroll, Purchasing, etc. are allocated to departments. It is prepared annually by the County Auditor/Controller-Recorder in accordance with the Office of Management and Budget, Budget Circular A-87, which is the guideline for state and federal reimbursements for indirect costs.

Department: A functional division used by County management to group programs of a like nature.

Depreciation: The recording of expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.

Discretionary Revenue: Revenue not legally designated for a specific purpose or program that can be appropriated at the discretion of the Board of Supervisors.

Employee Health & Productivity Program (EHaP): A modified duty/return to work program that utilizes specialized nurses to obtain effective and timely treatment for injured or ill employees. Overall goals are to return the employee to the workplace as soon as possible and to increase the health and productivity of employees through health promotion and risk reduction programs.

Enterprise Funds: Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through operational revenues.

Fiscal Year: County accounting period which runs from July 1 through June 30.

Fixed Asset: An asset of a long-term character such as land, buildings, or furniture and other equipment costing \$5,000 or more.

FTE – Full-Time Equivalent: A unit of measure of staff time based upon the number of hours per year a full-time employee is expected to work. For example: if two employees each work half that number of hours per year, those two employees together equal one full-time equivalent.

Function: A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. This designation is specified by the State Controller. For example: “Public Protection” is the function of the Sheriff’s Department.

Fund Balance: The excess of assets of a special revenue fund over its liabilities, including the cancellation of prior year encumbrances.

GASB 33: GASB 33 is short for Governmental Accounting Standards Board, Statement 33. Statement #33 establishes accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. A nonexchange transaction is where a government gives or receives value without directly receiving or giving value in return. Some examples of nonexchange transactions are taxes, grants, fines, donations, and state and federal funding.

The main change is revenue must be recognized for the above transactions when the underlying exchange has occurred or when eligibility requirements are met. Therefore, money that is received under this criteria and is being put aside in trust funds must be recognized when received and trust funds that are not fiduciary in nature must be eliminated.

GASB 34: GASB 34 is short for Governmental Accounting Standards Board, Statement 34. Statement #34 establishes new requirements for the annual financial reports of state and local governments. The goal is to make annual reports easier to understand and more useful to people who use governmental financial information to make decisions.

There are many components of GASB 34, but as it relates to the budget, it is primarily composed of how services provided between county budget units are accounted for. GASB 34 specifies how payments for services should be accounted for, i.e. either as reimbursements or as revenues. While the net impact is zero, reclassifications between these two categories cause inconsistencies when comparing year-to-year budgets by specific expense or revenue categories. In situations where this impact is significant, the departments have included an explanation of the reclassification.

General Fund: The General Fund is used to account for resources traditionally associated with government which are not accounted for in a specific fund to satisfy legal requirements or financial management objectives.

Internal Service Funds: Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.

Local Cost: Local cost is the amount contributed by the county general fund from its general revenue sources to finance the activities of a department.

Memorandum of Understanding (MOU): For budget purposes, the MOU refers to an approved labor agreement between the County and an employee labor organization that details the salary, benefits, and other conditions of employment.

Mid-year Adjustments: Board approved changes to a department's budget after the adoption of the final budget.

Operating Transfers In/Out: A method of providing financing from one fund to another for the implementation of a project or program.

Other Charges: A category of accounts established for expenditures other than salaries and benefits, services and supplies, and fixed assets. Example: In Home Supportive Services.

Proposed Budget: The working document of the fiscal year under discussion. Approval of this document does not allow expenditures for fixed assets and for new permanent employee positions unless specifically approved by the Board of Supervisors.

Proposition 172: A permanent extension of a half-cent Local Public Safety Sales Tax approved by California voters on November 2, 1993. Proceeds of this sales tax must be dedicated to public safety.

Public Service Employee (PSE): PSEs are employees assigned to entry level positions in a variety of fields and occupations for a limited duration. They are not full regular county employees and are subject to an expedited recruiting process to accommodate additional workload or to handle one-time special projects. They do not receive the full range of benefits, nor have the civil service status of regular county employees.

Realignment Funding (Health & Welfare): In 1991-92 the state approved the Health & Welfare Realignment Program which involves a shift of program responsibilities from the state to the counties. This shift is funded through corresponding shift of dedicated Sales Tax and Vehicle License Fee revenue.

Reimbursements: Amount received as a repayment of the cost of work, or service performed, or of other expenditures made for or on behalf of another governmental unit or department. Reimbursements represent the recovery of an expenditure.

Revenue: The addition of cash or other current assets of governmental costs funds (receipts) which do not increase any liability or reserve and do not represent the recovery of an expenditure, i.e., reimbursements. Generally, revenue is derived from taxes, licenses and fees or investment earnings. Revenues are deposited in a fund for future appropriation.

Risk Management Liabilities: Liability insurance charges, such as general liability, auto liability, property and fire liability insurance billed to county departments from the Risk Management internal service fund.

SB 90 State-Mandated Local Program: State reimbursements to local governments for the cost of activities required by State legislative and executive acts.

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific sources that are legally restricted to expenditures for specific purposes.

Transfers: The movement of resources from one fund to another usually for payment of services received.

Vacancy factor: Many departments use a vacancy factor in the budget to estimate employee turnover and periods when departments will not incur the full cost of a position. Positions where specific knowledge of turnover can be predicted are budgeted as such, but during the normal course of business there are many positions that might unexpectedly go unfilled due to delays in hiring or an employee vacating a position. The department handles these unforeseeable vacancies by budgeting a "vacancy factor," which represent the normal turnover in the system.

Example: A department has 20 full time positions. It is not known that any of the incumbents will leave during the year, but, experience indicates that on average one of the twenty positions will be in a state of turnover at any given time. Because the vacancy does not relate to a specific position, the department will budget 1.0 position as a vacancy factor resulting in the department having 20 approved positions and 19.0 budgeted positions. In this way they can avoid over budgeting for salaries.

APPROPRIATIONS SUMMARY

The 2002-03 final budget includes appropriations of \$2,591,922,675, an increase of \$98,092,117 or 3.93%.

	Final 2001-02	Final 2002-03	Change	Percentage Change
Countywide Operations				
Admin/Exec Group	40,405,390	45,994,239	5,588,849	13.83%
Contingencies	31,396,946	48,516,783	17,119,837	54.53%
ED/Public Services Group	42,869,233	41,860,977	(1,008,256)	(2.35%)
Fiscal Group	35,820,494	35,952,915	132,421	0.37%
Human Services System	1,106,670,346	1,125,855,387	19,185,041	1.73%
Internal Services Group	30,781,091	32,428,987	1,647,896	5.35%
Law & Justice Group	412,486,835	422,878,079	10,391,244	2.52%
Capital Projects & Debt Service	161,073,896	152,619,723	(8,454,173)	(5.25%)
Special Revenue Funds	304,724,002	337,901,904	33,177,902	10.89%
Subtotal	2,166,228,233	2,244,008,994	77,780,761	3.59%
Enterprise Funds				
Arrowhead Reg Med Ctr	220,350,734	238,391,803	18,041,069	8.19%
Med Ctr Lease Payments	53,780,139	53,115,289	(664,850)	(1.24%)
County Museum Store	174,987	154,789	(20,198)	(11.54%)
UltraScreen Theatre	107,062	4,000	(103,062)	(96.26%)
Regional Parks Snackbars	73,717	86,262	12,545	17.02%
Solid Waste Management	53,115,686	56,161,538	3,045,852	5.73%
Subtotal	327,602,325	347,913,681	20,311,356	6.20%
Total Countywide Approp	2,493,830,558	2,591,922,675	98,092,117	3.93%

Countywide Operations

Countywide operations show an increase in appropriations of \$53,057,032. The majority of these increases are in the Admin/Exec Group, Contingencies, the Human Services System (HSS), the Internal Services Group, and the Law and Justice Group.

The Admin/Exec Group is restated to exclude the general fund appropriations for contingencies, which is now shown as a separate line item. This group shows an increase due to the addition of a new litigation budget unit, due to additional Human Resource positions to further enhance employee relations, benefits and classification services, and increased unemployment insurance costs.

The appropriation for contingencies includes the amount set aside per county policy (1.5% of locally funded appropriations) or \$4,790,447 in 2002-03. In addition, the Board allocated \$41,081,132 of available financing to contingencies for specific uncertainties, such as the state financial situation, pending salary negotiations, and rising retirement costs.

Within Human Services System, major changes include increased costs related to MOU, in-home support service provider costs, caseload, the reclassification of the Aging & Adult Services budget from special revenue to general fund, offset by an anticipated decrease in the state allocation for childcare. In the health care costs budget, decreases in appropriations are the result of accounting changes related to GASB 33. In addition to a state mandated staffing-to-caseload ratios in the California Children's Services program, Public Health appropriation increases are due to grant related programs. Appropriation increases in the Behavioral Health budget reflect an increase in case management services, new programs, which include staffing for the expansion of the West Valley Juvenile Hall, accounting changes as a result of GASB 34, and increases for the Phoenix capital improvement project.

The Internal Services Group increase is primarily caused by the GASB 34 accounting change reclassifying reimbursements as revenue in the Real Property budget. Also reflected is a decrease in the utility budget due to projected savings as a result of lighting retrofit projects.

The Law and Justice group increase is mainly in the Public Defender, County Trial Court Maintenance of Effort (MOE) funding, Probation Institutions, and Sheriff budget units. The Public Defender budget increase is due to the addition of new judgeships. County Trial Court (MOE) funding increases reflect increased payments to the state for 50% of excess fine and fee collections which exceed the amount prescribed in trial court funding statutes and payments of 25% of the county's portion of excess collections to the Court Facility Program fund. The Probation Institutions budget increase is due to the expansion of the West Valley Juvenile Hall. The increase in the Sheriff budget is due to increase in city contract services and funding for the COPSMORE grant.

Capital Projects and Debt Service

Capital Projects and Debt Service appropriations decreased \$8,454,173 primarily due to a reduction in non-departmental appropriations of \$8.2 million. An appropriation decrease of \$7.4 million is attributable to reduced interest expense paid on the Tax Revenue Anticipation Notes (TRANS). This is due both to the decreased size of the borrowing and historical lows in short-term interest rates. The remainder of the decrease is the result of a transfer of appropriation and associated expenses to the newly established litigation budget unit as mentioned above.

Capital Improvement Projects appropriations increased \$3.2 million to approximately \$111.2 million in 2002-03. The \$111.2 million is composed of \$89,423,043 of carry over projects, including the High Desert Detention Center of \$28.3 million, and \$21,741,251 of new project appropriations.

Also included in the Capital Projects and Debt Service amount are the county redevelopment agency budget units. These budget units declined by approximately \$3.2 million due to the reduced fund balance caused by bond proceeds expended on infrastructure improvements in the San Sevine redevelopment area and the reclassification of interfund transfers out to operating transfers out.

Special Revenue Funds

Special Revenue funds increased \$33,177,902 due to the creation of several new special revenue budgets as a result of GASB 33 and new budgets to account for the General Plan Update, the Central Courthouse Seismic Retrofit, the Courthouse Facility – Excess 25%, the Regional Parks Prop 12, and the Regional Parks Prop 40 projects. Also reflected are increases in the Micrographics Fees, Transportation Etiwanda/I10 reconstruction, Preschool Services, Tobacco Settlement, and Redevelopment budgets. Decreased appropriations included COPSMORE and Prop 36 budgets, as well as the Aging & Adult Services budgets, which were reclassified to general fund as mentioned above.

Enterprise Funds

The increase in Arrowhead Regional Medical Center reflects increased salary & benefit costs and a 6.5% increase in in-patient census. Medical Center Lease Payments decreased slightly, reflecting the elimination of an arbitrage payment, which is due every five years.

Solid Waste Management appropriations have been increased as a result of GASB 33, which added two new enterprise funds, Environmental and Recycling Programs. Additionally, fixed asset appropriation changes reflect increases in the operations, site closure, and groundwater budgets, offset by decreases in the site enhancement fixed asset appropriations.

REVENUE SUMMARY

The 2002-03 county budget is financed from a variety of sources:

	Final 2001-02	Final 2002-03	Change	Percentage Change
<u>REVENUES FOR ALL COUNTY FUNDS</u>				
(Excluding Enterprise Funds)				
Property Taxes	121,164,329	131,325,250	10,160,921	8.39%
Other Taxes	134,163,747	128,926,083	(5,237,664)	(3.90%)
State and Federal Aid	1,348,722,081	1,355,272,285	6,550,204	0.49%
Charges for Current Services	292,239,234	305,385,527	13,146,293	4.50%
Other Revenue	133,854,639	119,462,297	(14,392,342)	(10.75%)
Subtotal	2,030,144,030	2,040,371,442	10,227,412	0.50%
<u>ENTERPRISE FUND REVENUES</u>				
Arrowhead Reg Med Ctr	222,259,940	246,621,803	24,361,863	10.96%
Med Center Lease Payments	26,449,438	24,466,969	(1,982,469)	(7.50%)
County Museum Store	180,000	159,000	(21,000)	(11.67%)
UltraScreen Theatre	10,000	7,000	(3,000)	(30.00%)
Regional Parks Snackbars	92,000	103,500	11,500	12.50%
Solid Waste Managment	53,684,003	62,647,910	8,963,907	16.70%
Subtotal	302,675,381	334,006,182	31,330,801	10.35%
Total County Revenues	2,332,819,411	2,374,377,624	41,558,213	1.78%

Property tax revenue increased based on higher than projected assessed valuation growth in 2001-02 combined with an estimated increase in assessed valuation of 6% in 2002-03.

Other taxes are decreased due to an anticipated decrease in Prop 172 sales tax. The 2002-03 budget also estimates a 4% decrease in sales tax from prior year budget for sales tax generated in the unincorporated area of the county.

State and federal aid growth includes realignment vehicle license fee revenues for health, welfare and Behavioral Health, and increases in welfare programs, such as child welfare services. The non-realignment portion of vehicle license fees is expected to grow 5% over current year-end estimates. This growth represents a slowing growth rate from the 2000-01 and 2001-02 fiscal years, when actual revenues grew in excess of 12% a year. In addition, \$5.2 million of the increase in state and federal aid is due to the creation of a new special revenue fund for the Juvenile Justice grant monies as a result of GASB 33. These increases are offset by a \$5.8 million decrease in state and federal capital grants.

Charges for current services are increased due in part to accounting changes required for compliance with GASB 34, which accounted for \$3.8 million in Alcohol & Drug, \$1.9 million in Transportation, and \$1.0 million in Real Property. In addition, increases are related to departmental business activity, such as law enforcement services, which are expected to increase \$4.9 million as a result of MOU increases, and property tax administration fees of \$1.9 million.

Other revenues include licenses, permits, franchises, fines and penalties, interest earnings, and tobacco settlement funds. The majority of the decrease reflected in other revenue is due to the elimination of the forfeiture trust money in the District Attorney budget and an anticipated decrease in interest earnings. These decreases are offset by increases in revenues from court fines of \$2.9 million and increases related to the creation of several new special revenue funds as required by GASB 33.

Arrowhead Regional Medical Center revenues are expected to grow due to volume increases. This growth is reflected in insurance, private pay, and Medicare revenues. Other increases to revenues include tobacco tax revenues from AB 75.

Revenue for the medical center lease payment fund represents state payments from the Construction Renovation/Reimbursement Program (SB 1732) and has decreased due to a lower Medi-Cal utilization rate.

Solid Waste Management revenues increased primarily due to an increase in the estimated tonnage for the upcoming fiscal year based on actual tonnage trends.

BUDGETED STAFFING SUMMARY

		<u>Increase from Previous Year</u>				
	<u>2001-02 Staffing</u>	<u>Caseload Driven/ Grant or Special Funded Programs</u>	<u>All Other Programs</u>	<u>Total Change</u>	<u>2002-03 Staffing</u>	<u>Percentage Change</u>
General Fund	13,421.2	306.5	61.4	367.9	13,789.1	2.7%
Other Funds	4,384.4	4.1	0.0	4.1	4,388.5	0.1%
Total	17,805.6	310.6	61.4	372.0	18,177.6	

The increase in caseload driven/grant or special funded programs for the general fund includes the following:

- Behavioral Health budgeted staffing is increased by 37.5 to improve case management services, support a new transportation unit that will move patients from state hospitals to community based settings, and support the West Valley Juvenile Hall expansion.
- Child Support Services budgeted staffing is reduced by 53.1 to reflect a reduction to budgeted overtime and an increase to the department's vacancy factor, offset by mid-year additions.
- Office on Aging & Adult Services budgeted staffing is increased by 111.9 due to the reclassification of this program from a special revenue fund to a general fund.
- Public Health budgeted staffing is increased by 28.3 due to new positions related to new bioterrorism and "The Earlier the Better" grants.
- California Children's Services budgeted staffing is increased by 50.4 to meet state caseload requirements.
- Sheriff budgeted staffing is increased by 34.0 due to requirements for contracted cities and 1.0 due to the alcohol and drug counseling program for Inmate Welfare.

The increase in other programs budgeted staffing includes the following:

- Human Resources budgeted staffing is increased by 10.5 to further enhance Employee Relations, Employee Benefits, and Classification services. Per GASB 33, Commuter Services staff are transferred to a special revenue fund.
- Treasurer-Tax Collector budgeted staffing is increased by 6.2 and Central Collections budgeted staffing is increased by 4.4 to enhance productivity and customer services.
- Facilities Management budgeted staffing increased by 6.0 for the West Valley Juvenile Hall expansion.
- District Attorney budgeted staffing increased by 6.0 for the Elder Abuse Program.
- Sheriff budgeted staffing increased by 12.0 COPS MORE positions previously funded by the COPS MORE grant.

Countywide staffing changes are outlined by county department in the following chart:

BUDGETED STAFFING SUMMARY

Department	2001-02 Final Budget	2002-03 Final Budget	Change
ADMINISTRATIVE/EXECUTIVE GROUP			
<u>GENERAL FUND</u>			
BOARD OF SUPERVISORS	39.5	39.8	0.3
CLERK OF THE BOARD	15.0	15.0	0.0
COUNTY ADMINISTRATIVE OFFICE	32.5	33.5	1.0
COUNTY COUNSEL	69.0	71.0	2.0
HUMAN RESOURCES	119.3	129.8	10.5
HUMAN RESOURCES - EMPLOYEE HEALTH & WELLNESS	13.3	13.8	0.5
INFORMATION SERVICES - APPLICATIONS DEVELOPMENT	117.8	101.3	(16.5)
INFORMATION SERVICES - EMERGING TECHNOLOGIES	0.0	19.1	19.1
INFORMATION SERVICES - GIMS	5.0	0.0	(5.0)
SUBTOTAL GENERAL FUND	411.4	423.3	11.9
<u>OTHER FUNDS</u>			
HUMAN RESOURCES - COMMUTER SERVICES	0.0	4.0	4.0
HUMAN RESOURCES - RISK MANAGEMENT	58.0	65.0	7.0
INFORMATION SERVICES - COMPUTER OPERATIONS	165.1	154.4	(10.7)
INFORMATION SERVICES - NETWORK SERVICES	118.1	110.1	(8.0)
SUBTOTAL OTHER FUNDS	341.2	333.5	(7.7)
TOTAL ADMINISTRATIVE/EXECUTIVE GROUP	752.6	756.8	4.2
ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP			
<u>GENERAL FUND</u>			
AGRICULTURE/WEIGHTS & MEASURES	69.0	72.7	3.7
AIRPORTS	30.4	28.9	(1.5)
COUNTY MUSEUM	78.9	77.7	(1.2)
ECD - ECONOMIC PROMOTION	2.0	2.0	0.0
ECD - SMALL BUSINESS DEVELOPMENT	5.0	4.0	(1.0)
ED/PUBLIC SERVICES GROUP	19.5	20.5	1.0
LAND USE SERVICES - ADMINISTRATION	12.0	12.0	0.0
LAND USE SERVICES - CURRENT PLANNING	25.5	27.0	1.5
LAND USE SERVICES - ADVANCE PLANNING	17.5	19.0	1.5
LAND USE SERVICES - BUILDING AND SAFETY	57.2	57.2	0.0
LAND USE SERVICES - CODE ENFORCEMENT	30.0	31.0	1.0
LAND USE SERVICES - FIRE HAZARD ABATEMENT	20.0	21.0	1.0
PUBLIC WORKS - REGIONAL PARKS	124.2	117.1	(7.1)
PUBLIC WORKS - SURVEYOR	37.2	39.3	2.1
REGISTRAR OF VOTERS	40.7	38.6	(2.1)
SPECIAL DISTRICTS - FRANCHISE ADMINISTRATION	3.0	3.0	0.0
SUBTOTAL GENERAL FUND	572.1	571.0	(1.1)

BUDGETED STAFFING SUMMARY

Department	2001-02 Final Budget	2002-03 Final Budget	Change
ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP (continued)			
<u>OTHER FUNDS</u>			
COUNTY LIBRARY	203.4	212.0	8.6
COUNTY MUSEUM STORE	2.8	2.3	(0.5)
ECONOMIC AND COMMUNITY DEVELOPMENT	58.0	61.0	3.0
JOBS AND EMPLOYMENT SERVICES	173.0	133.0	(40.0)
LAND USE SERVICES - HABITAT CONSERVATION	3.0	1.0	(2.0)
PUBLIC WORKS - CALICO GHOST TOWN MARKETING SVC	0.0	1.0	1.0
PUBLIC WORKS - COUNTY TRAIL SYSTEM	3.0	4.0	1.0
PUBLIC WORKS - REGIONAL PARKS SNACK BARS	1.0	1.0	0.0
PUBLIC WORKS - ROAD OPERATIONS CONSOLIDATED	356.0	364.9	8.9
PUBLIC WORKS - SOLID WASTE MANAGEMENT	59.4	62.3	2.9
REDEVELOPMENT AGENCY-OPERATING FUND	2.0	2.1	0.1
SUBTOTAL OTHER FUNDS	861.6	844.6	(17.0)
TOTAL ECON DEVELOP/PUBLIC SERVICES GROUP	1,433.7	1,415.6	(18.1)
FISCAL GROUP			
<u>GENERAL FUND</u>			
ASSESSOR	170.6	165.8	(4.8)
AUDITOR/CONTROLLER-RECORDER	185.3	189.9	4.6
TREASURER-TAX COLLECTOR	60.3	66.5	6.2
TREASURER-TAX COLLECTOR - CENTRAL COLLECTIONS	89.5	93.9	4.4
SUBTOTAL GENERAL FUND	505.7	516.1	10.4
<u>OTHER FUNDS</u>			
AUDITOR/CONTROLLER - RECORDS MANAGEMENT	2.0	2.0	0.0
STATE/COUNTY PROPERTY TAX ADMINISTRATION	31.0	30.0	(1.0)
SUBTOTAL OTHER FUNDS	33.0	32.0	(1.0)
TOTAL FISCAL GROUP	538.7	548.1	9.4

BUDGETED STAFFING SUMMARY

Department	2001-02 Final Budget	2002-03 Final Budget	Change
HUMAN SERVICES SYSTEM			
<u>GENERAL FUND</u>			
HSS ADMINISTRATIVE CLAIM	4,400.6	4,409.1	8.5
AGING AND ADULT SERVICES	0.0	111.9	111.9
BEHAVIORAL HEALTH	696.6	734.1	37.5
BEHAVIORAL HEALTH - ALCOHOL AND DRUG	110.9	100.9	(10.0)
CHILD SUPPORT SERVICES	702.8	649.7	(53.1)
HEALTH CARE COSTS	4.0	4.0	0.0
PUBLIC HEALTH	1,072.0	1,100.3	28.3
PUBLIC HEALTH - CALIFORNIA CHILDREN'S SERVICES	103.9	154.3	50.4
VETERANS AFFAIRS	19.0	19.0	0.0
SUBTOTAL GENERAL FUND	7,109.8	7,283.3	173.5
<u>OTHER FUNDS</u>			
AGING AND ADULT SERVICES	96.8	0.0	(96.8)
ARROWHEAD REGIONAL MEDICAL CENTER	2,189.5	2,290.3	100.8
PRESCHOOL SERVICES	622.2	653.7	31.5
SUBTOTAL OTHER FUNDS	2,908.5	2,944.0	35.5
TOTAL HUMAN SERVICES SYSTEM	10,018.3	10,227.3	209.0
INTERNAL SERVICES GROUP			
<u>GENERAL FUND</u>			
ARCHITECTURE AND ENGINEERING	23.0	25.0	2.0
FACILITIES MANAGEMENT - ADMINISTRATION	4.0	4.0	0.0
FACILITIES MANAGEMENT - CUSTODIAL	59.0	63.0	4.0
FACILITIES MANAGEMENT - GROUNDS	27.0	28.0	1.0
FACILITIES MANAGEMENT - HOME REPAIR	12.0	12.0	0.0
FACILITIES MANAGEMENT - MAINTENANCE	58.0	61.0	3.0
PURCHASING	16.0	19.1	3.1
REAL ESTATE SERVICES	26.0	28.0	2.0
SUBTOTAL GENERAL FUND	225.0	240.1	15.1
<u>INTERNAL SERVICE FUNDS</u>			
FLEET MANAGEMENT - GARAGE AND WAREHOUSE	98.0	103.3	5.3
FLEET MANAGEMENT - MOTOR POOL	8.1	8.1	0.0
PURCHASING - CENTRAL STORES	15.0	15.0	0.0
PURCHASING - MAIL AND COURIER SERVICES	34.0	35.0	1.0
PURCHASING - PRINTING AND MICROFILM SERVICES	18.0	18.0	0.0
SUBTOTAL INTERNAL SERVICE FUNDS	173.1	179.4	6.3
TOTAL INTERNAL SERVICES GROUP	398.1	419.5	21.4

BUDGETED STAFFING SUMMARY

Department	2001-02 Final Budget	2002-03 Final Budget	Change
LAW AND JUSTICE GROUP			
<u>GENERAL FUND</u>			
DISTRICT ATTORNEY - CRIMINAL	377.0	382.0	5.0
DISTRICT ATTORNEY - CHILD ABDUCTION	7.0	7.0	0.0
LAW AND JUSTICE GROUP ADMINISTRATION	1.0	1.0	0.0
PROBATION - ADMINISTRATION/COMM CORRECTIONS	498.0	482.0	(16.0)
PROBATION - DETENTION CORRECTIONS	558.0	654.0	96.0
PROBATION - PRE-TRIAL DETENTION	7.0	7.0	0.0
PROBATION - AB1913 GRANT	59.0	78.0	19.0
PUBLIC ADMIN/GUARDIAN/CONSERV/CORONER	78.5	78.5	0.0
PUBLIC DEFENDER	179.2	186.3	7.1
SHERIFF	2,832.5	2,879.5	47.0
SUBTOTAL GENERAL FUND	4,597.2	4,755.3	158.1
<u>OTHER FUNDS</u>			
DISTRICT ATTORNEY - SPECIAL REVENUE	32.0	32.0	0.0
SHERIFF - SPECIAL REVENUE	35.0	23.0	(12.0)
SUBTOTAL OTHER FUNDS	67.0	55.0	(12.0)
TOTAL LAW AND JUSTICE GROUP	4,664.2	4,810.3	146.1
TOTAL COUNTY DEPARTMENTS - GENERAL FUND	13,421.2	13,789.1	367.9
TOTAL COUNTY DEPARTMENTS - OTHER FUNDS	4,384.4	4,388.5	4.1
GRAND TOTAL COUNTY DEPARTMENTS	17,805.6	18,177.6	372.0

RESERVES ANALYSIS

The county has a number of reserves and designations that have been established over the years for a variety of purposes. On January 6, 1998, the Board of Supervisors adopted a county policy to provide guidelines and goals for reserve levels. That policy calls for the county's general purpose reserves to equal 10% of locally funded appropriations by 2002-03. It also anticipates establishing special purpose reserves to help meet future needs.

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
Total General Purpose Reserve	25.2	27.4	27.4	30.2	31.9
Specific Purpose Reserves					
Medical Center debt service	11.5	34.3	32.0	32.0	32.1
Justice facilities reserve	3.6	11.7	5.2	5.0	5.0
Juvenile maximum security reserve	0.6	1.2	1.5	1.5	1.5
Future retirement rate increase reserve		1.5	1.5	1.5	1.5
Equity Pool					2.0
Teeter				19.3	19.3
Restitution				8.9	8.0
Total Specific Purpose Reserves	15.7	48.7	40.2	68.2	69.4
Total Reserves	40.9	76.1	67.6	98.4	101.3

The county has several reserves. Some are for specific purposes, such as to meet future known obligations or to build a reserve for capital projects. The general reserves are funds held to protect the county from unforeseen increases in expenditures or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the county.

For 2001-02, the contribution of \$3.3 million to the Justice Facilities reserve was cancelled, in a mid-year Board action, due to the declining revenues from the federal marshal contract. In addition, a use of \$250,000 of this reserve funded repairs in logic control equipment at the Foothill Law and Justice Center. During 2001-02 the Board also approved the establishment of two new reserves. The \$19.3 million Teeter Reserve was established by Board action, and includes the amount that is legally required to be set aside (approx 1/3 of the total reserve). Prior to 2001-02, Teeter funds, including the legally required reserve, were held in a separate fund, and were transferred into the general fund in 2001-02 pursuant to the requirements of GASB 33. The Board also established an \$8.9 million Restitution Reserve to set-aside the monies recovered in the ongoing corruption lawsuits to cover the continuing costs of this litigation. These restitution monies were previously held in a separate fund and were moved to the general fund in 2001-02 pursuant to the requirements of GASB 33.

For 2002-03, general purpose reserves are increased \$1.7 million. This increase brings general purpose reserves to a total of \$31.9 million, which satisfies the county's general reserve requirement of 10% of locally funded appropriations, which are projected to be \$319.3 million. The total specific purpose reserves are increased to \$69.4 million. This is partly due to the creation of a \$2.0 million Equity Pool Reserve that is established to fund the costs and results of employee classification studies. The Medical Center reserve has also been increased slightly to reflect a planned contribution pursuant to the Medical Center financing

plan. These reserve increases are offset by a projected \$900,000 use of the Restitution Reserve, which represents the estimated 2002-03 litigation expense of the continuing corruption litigation.

LOCAL COST ANALYSIS

County general fund operations are financed with two major types of funding: departmental program revenues; and countywide unallocated discretionary revenues, reserves, and fund balance.

Departmental program revenues include fees, service charges, and state and federal support for programs such as welfare, health care, child support and behavioral health. The balance of departmental costs not funded by these departmental revenue sources is considered local cost. Local cost is funded by countywide, unallocated discretionary revenues such as property tax and vehicle license fees as well as other financing sources such as use of reserves, fund balance and operating transfers.

Local cost financing for 2002-03 is \$405,820,027. Shown below are the sources of local cost financing:

COUNTYWIDE REVENUES AND OTHER FINANCING WHICH PAY FOR GENERAL FUND LOCAL COST

	Final Budget 2001-02	Actuals 2001-02	Final Budget 2002-03
Net Non-departmental revenue			
Property Taxes:			
Current Secured, Unsecured, Unitary	109,235,316	114,760,004	118,485,250
Supplementals	1,300,000	2,918,443	2,316,700
Penalty on Current Taxes	1,445,598	1,055,112	1,036,200
Prior Property Taxes, Penalties and Interest	4,205,000	3,814,650	3,722,170
Total Property Taxes	116,185,914	122,548,209	125,560,320
Vehicle License Fees	103,644,570	111,964,215	115,154,588
Sales and Other Taxes	24,920,674	27,499,356	26,486,450
Net Interest Earnings	23,190,336	45,346,094	17,100,000
COWCAP Revenue	18,662,199	13,514,238	17,500,000
Property Tax Admin Revenue	6,055,600	8,166,060	7,995,750
Booking Fee Revenue	3,937,000	3,983,962	3,937,000
Other State and Federal Aid	2,789,000	4,051,427	3,199,000
Other Revenue	2,179,152	19,838,889	2,430,000
Subtotal	301,564,445	356,912,450	319,363,108
Other Financing			
Fund Balance	30,526,390	30,526,390	57,668,914
Use of Reserves		250,000	900,000
Operating Transfers	27,805,406	25,269,735	27,888,005
Subtotal	58,331,796	56,046,125	86,456,919
TOTAL	359,896,241	412,958,575	405,820,027

The most significant sources of county local cost financing are property tax and vehicle license fees. These two sources account for \$240,714,908 or 75.4% of discretionary revenues for

2002-03. Year-end fund balance available for financing is \$57.7 million. Operating transfers includes transfers into the county general fund from the Courthouse and Criminal Justice Construction funds, Solid Waste Management, and the use of \$17.7 million of the tobacco settlement funds to be applied towards Medical Center Debt Service.

Countywide revenues are allocated to various county departments as local cost as outlined in the following chart:

Department Title	Local Cost Final 2001-02	Local Cost Final 2002-03
BOARD OF SUPERVISORS (ALL DISTRICTS)	3,999,435	4,237,112
CLERK OF BOARD	798,293	836,118
COUNTY ADMINISTRATIVE OFFICE	3,666,655	4,176,978
COUNTY ADMINISTRATIVE OFFICE-LITIGATION	-	809,664
COUNTY ADMINISTRATIVE OFFICE-JOINT POWERS LEASES	23,569,659	23,068,480
COUNTY COUNSEL	2,591,855	3,262,891
HUMAN RESOURCES	4,489,029	5,174,453
HUMAN RESOURCES-EMPLOYEE HEALTH AND WELLNESS	-	-
HUMAN RESOURCES-UNEMPLOYMENT INSURANCE	869,164	1,500,000
INFORMATION SERVICES-EMERGING TECHNOLOGY	-	1,518,270
INFORMATION SERVICES-APPLICATION DEVELOPMENT	6,198,575	5,290,857
INFORMATION SERVICES-GIMS	234,365	-
LOCAL AGENCY FORMATION COMMISSION	154,856	161,353
SCHOOL CLAIMS	1,164,116	1,186,804
SUPERINTENDENT OF SCHOOLS	291,934	282,224
ADMINISTRATIVE/EXECUTIVE GROUP SUBTOTAL:	48,027,936	51,505,204
AIRPORTS	58,936	57,757
AGRICULTURE/WEIGHTS AND MEASURES	1,426,413	1,618,704
COUNTY MUSEUM	1,196,284	1,394,726
ECD - ECONOMIC PROMOTION	837,012	858,263
ECD - SMALL BUSINESS DEVELOPMENT	173,368	188,956
ECONOMIC DEVELOPMENT/PUBLIC SVCS GROUP ADMIN	101,589	98,000
LAND USE SERVICES-ADMINISTRATION	100,238	-
LAND USE SERVICES-CURRENT PLANNING	-	-
LAND USE SERVICES-ADVANCED PLANNING	2,428,459	1,686,024
LAND USE SERVICES-BUILDING AND SAFETY	90,031	88,230
LAND USE SERVICES-CODE ENFORCEMENT	2,395,354	2,544,994
LAND USE SERVICES-FIRE HAZARD ABATEMENT	-	-
PUBLIC WORKS-REGIONAL PARKS	372,086	647,495
PUBLIC WORKS-SURVEYOR	-	-
REGISTRAR OF VOTERS	2,513,890	2,720,442
SPECIAL DISTRICTS-FRANCHISE ADMINISTRATION	289,495	296,432
ECON DEVEL/PUBLIC SERVICES GROUP SUBTOTAL:	11,983,155	12,200,023
ASSESSOR	10,856,981	10,344,827
AUDITOR-CONTROLLER/RECORDER	4,511,950	3,889,197
TREASURER-TAX COLLECTOR - CENTRAL COLLECTIONS	-	-
TREASURER-TAX COLLECTOR	2,521,289	2,113,285
FISCAL GROUP SUBTOTAL:	17,890,220	16,347,309

Department Title	Local Cost Final 2001-02	Local Cost Proposed 2002-03
BEHAVIORAL HEALTH	1,842,753	1,842,753
BEHAVIORAL HEALTH-OFFICE OF ALCOHOL & DRUG ABUSE	207,100	207,100
CHILD SUPPORT SERVICES	-	-
HEALTH CARE COSTS	19,101,403	17,700,000
HSS ADMINISTRATIVE CLAIM	12,998,347	11,764,243
HSS SUBSISTENCE-CALWORKS-FAMILY GROUP	4,086,534	4,634,906
HSS SUBSISTENCE-KIN-GAP PROGRAM	174,190	375,327
HSS SUBSISTENCE-AFDC-FOSTER CARE	14,178,050	13,504,069
HSS SUBSISTENCE-CALWORKS-UNEMPLOYMENT	474,935	566,101
HSS SUBSISTENCE-AID FOR SERIOUSLY EMOTIONALLY DISTURBED	644,580	631,346
HSS SUBSISTENCE-AID TO ADOPTIVE CHILDREN	762,409	927,221
HSS SUBSISTENCE-CHILD ABUSE /DOMESTIC VIOLENCE	-	-
HSS SUBSISTENCE-CASH ASSISTANCE - IMMIGRANTS	-	-
HSS SUBSISTENCE-CHILDREN'S OUT OF HOME CARE	772,000	437,521
HSS SUBSISTENCE-ENTITLEMENT PAYMENTS	13,153	-
HSS SUBSISTENCE-REFUGEE CASH ASSISTANCE	-	-
HSS-AID TO INDIGENTS	1,077,154	1,344,571
AGING AND ADULT SERVICES	-	974,137
PUBLIC HEALTH	630,000	654,320
PUBLIC HEALTH-CALIFORNIA CHILDREN'S SERVICES	1,284,813	1,538,041
PUBLIC HEALTH-INDIGENT AMBULANCE	472,501	472,501
VETERANS AFFAIRS	804,151	844,218
HUMAN SERVICES SYSTEM SUBTOTAL:	59,524,073	58,418,375
ARCHITECTURE AND ENGINEERING	524,617	640,063
FACILITIES MANAGEMENT-ADMINISTRATION	338,580	344,105
FACILITIES MANAGEMENT-CUSTODIAL	1,487,441	1,694,680
FACILITIES MANAGEMENT-GROUNDS	791,423	841,765
FACILITIES MANAGEMENT-HOME REPAIR	-	-
FACILITIES MANAGEMENT-MAINTENANCE	3,483,553	3,751,422
FACILITIES MANAGEMENT-UTILITIES	14,885,801	14,503,536
REAL ESTATE SERVICES	518,857	716,602
REAL ESTATE SERVICES-RENTS	698,527	712,498
PURCHASING	855,603	1,135,594
INTERNAL SERVICES GROUP SUBTOTAL:	23,584,402	24,340,265
COUNTY TRIAL COURTS-DRUG COURT PROGRAMS	-	-
COUNTY TRIAL COURTS-GRAND JURY	296,654	301,148
COUNTY TRIAL COURTS-INDIGENT DEFENSE	9,617,905	9,615,047
COUNTY TRIAL COURTS-JUDICIAL BENEFITS/FACILITIES COSTS	1,551,875	1,806,975
COUNTY TRIAL COURTS-MAINTENANCE OF EFFORT	10,131,014	10,131,014
DISTRICT ATTORNEY-CRIMINAL	826,329	9,908,554
DISTRICT ATTORNEY-CHILD ABDUCTION	-	-
LAW & JUSTICE ADMINISTRATION	61,486	65,080
PROBATION-ADMIN/COMM CORRECTIONS	9,318,557	10,559,986
PROBATION-DETENTION CORRECTIONS	14,941,903	21,831,110
PROBATION-PRETRIAL DETENTION	462,691	480,982
PROBATION-AB 1913 GRANT	-	-
PROBATION-COURT ORDERED PLACEMENTS	8,300,985	8,329,483
PUB ADMIN/PUB GUARDIAN/CONSERVATOR/CORONER	3,932,979	4,141,894
PUBLIC DEFENDER	14,862,019	16,603,599
SHERIFF	77,016,218	84,956,126
LAW AND JUSTICE GROUP SUBTOTAL:	151,320,615	178,730,998
SUBTOTAL:	312,330,401	341,542,174
CONTINGENCIES	31,396,946	48,516,783
RESERVE CONTRIBUTIONS	6,100,000	3,791,381
OPERATING TRANSFERS OUT	10,068,894	11,969,689
TOTAL ALLOCATED COSTS:	47,565,840	64,277,853
GRAND TOTAL:	359,896,241	405,820,027

TABLE OF CONTENTS

Introduction, Preface and Final Budget Summary

Table of Contents	i
Administrative/Executive Group Summary	1
Board of Supervisors	2
Clerk of the Board	4
County Administrative Office	6
Litigation	8
Joint Powers Leases	10
Contingencies and Reserves	12
Non-Departmental Revenue	14
Master Settlement Agreement	17
Medical Center Lease Payment Fund	19
County Counsel	21
Human Resources Summary	23
Human Resources	23
Employee Health and Wellness	26
Unemployment Insurance	28
Commuter Services	29
Employee Benefits and Services	30
Risk Management	31
Insurance Programs	34
Information Services Summary	36
Application Development	36
Emerging Technologies	39
Geographic Information Services (GIMS)	41
Computer Operations	43
Network Services	46
Local Agency Formation Commission	49
School Claims	50
Superintendent of Schools	51
Economic Development/Public Services Group Summary	53
Agriculture, Weights and Measures Summary	55
Agriculture, Weights and Measures	55
California Grazing	58
Airports Summary	59
Airports	59
Chino Airport Commercial Hangar Facility	62
County Library	64
County Museum	67

Table of Contents

Ultrascreen Theatre	70
Museum Store	71
Economic and Community Development Summary	73
Economic and Community Development Consolidated	73
Economic Promotion	76
Small Business Development	78
Economic Development/Public Services Group Administration	80
Jobs and Employment Services	82
Land Use Services Summary	85
Administration	85
Planning	87
Current Planning	89
Advance Planning	91
Building and Safety	93
Code Enforcement	95
Fire Hazard Abatement	97
General Plan Update	99
Habitat Conservation	100
Public Works Department Summary	102
Regional Parks	102
County Trail System	105
Proposition 12 Projects	107
Proposition 40 Projects	108
Regional Parks Maintenance/Development	109
Calico Ghost Town Marketing Services	110
Off-Highway Vehicle License Fee	112
Blockbuster Pavilion Improvements	113
Regional Parks Snack Bars	114
Transportation	
Surveyor	115
Survey Monument Preservation	118
Road Operations Consolidated	119
Caltrans Contract	122
State Route 71	123
Etiwanda Interchange Improvement	124
High Desert Corridor Projects	125
Development Projects	126
Measure I	128
Solid Waste Management	
Operations	130
Site Closure and Maintenance	133
Site Enhancement, Expansion and Acquisition	134
Article V – Groundwater Remediation	136
Environmental Mitigation Fund	138

Table of Contents

Redevelopment Agency Summary	139
Operating Fund	139
Housing Fund.....	142
Debt Service Fund	144
Infrastructure Fund.....	146
Senior Housing Fund.....	147
Registrar of Voters	148
Special Districts Summary	151
Franchise Administration.....	151
Fish and Game Commission	153
Fiscal Group Summary.....	155
Assessor	156
State/County Property Tax Administration Program.....	159
Auditor/Controller-Recorder	161
Vital Records.....	164
Micrographics.....	166
System Development	168
Records Management.....	170
Treasurer/Tax Collector.....	172
Central Collections	175
Human Services System Summary.....	177
Aging and Adult Services	178
Arrowhead Regional Medical Center Summary	191
Arrowhead Regional Medical Center.....	191
Telemedicine.....	196
Special Patient Account	197
Behavioral Health Summary.....	198
Behavioral Health.....	198
Alcohol and Drug Abuse Services	202
Special Patient Account	205
Child Support Services.....	206
Health Care Costs	209
Human Services System	212
Administrative Claim	213
Subsistence Payments.....	220
Child Care Provider Payments	222
Out-of-Home Child Care.....	224
Aid to Adoptive Children.....	226
AFDC – Foster Care	228
Refugee Cash Assistance	231
Cash Assistance for Immigrants.....	232
CalWorks – All Other Families	234
CalWorks – KIN GAP	236

Table of Contents

Seriously emotionally Disturbed	238
CalWorks – 2-Parent Families.....	240
Aid to Indigents	242
Proposition 36	244
Preschool Services.....	246
Public Health	249
California Children’s Services	254
Indigent Ambulance.....	256
Cajon Pass Illegal Dumping Clean-Up	257
Veterans Affairs.....	259
Internal Services Group Summary	261
Architecture and Engineering	262
Facilities Management Summary	264
Administration	264
Custodial Division.....	266
Grounds Division.....	268
Home Repair Program	270
Maintenance Division	271
Utilities.....	273
Fleet Management	275
Garage/Warehouse.....	275
Motor Pool.....	277
Purchasing	279
Central Stores	281
Mail and Courier Services	283
Printing Services	285
Real Estate Services	287
Rents.....	289
Chino Agricultural Preserve.....	291
Law and Justice Group Summary	293
County Trial Courts Summary	294
Drug Court Programs	294
Grand Jury	296
Indigent Defense Program	297
Judicial Benefits/Facilities	299
Trial Court Funding – Maintenance of Effort.....	301
District Attorney Summary.....	303
Criminal.....	303
Child Abduction	306
DA Special Revenue Funds – Consolidated	308
Asset Forfeiture.....	310
Specialized Prosecutions	312
Auto Insurance Fraud.....	313

Table of Contents

Workers Compensation Fraud	314
Real Estate Fraud Unit.....	315
Vehicle Fees	316
Federal Asset Forfeiture.....	317
Law and Justice Group Administration	318
2000 Local Law Enforcement Block Grant	320
2001 Local Law Enforcement Block Grant	321
Probation	322
Administration/Community Corrections	322
Detention Corrections	327
Pretrial Detentions.....	330
AB 1913 Grant	332
Court Ordered Placements.....	335
Juvenile Justice Grant Program	337
Public Administrator/Public Guardian/Conservator/Coroner.....	339
Public Defender.....	342
Sheriff Summary	345
Sheriff.....	345
Sheriff's Special Revenue Funds – Consolidated	349
Contract Training.....	351
Public Gatherings.....	353
Aviation	355
IRNET Operations Fund – Federal.....	356
Federal Seized Assets	358
Vehicle Task Force	359
High Intensity Drug Trafficking Area.....	361
Seized Assets – Federal (Treasury).....	362
State Seized Assets	363
Search and Rescue.....	365
IRNET – State	366
Cal-ID	367
COPSMORE Grant	369
Capital Project Fund.....	371
Court Services Auto	372
Court Services Tech.....	373
Capital Improvements	375
Financial Schedules	397